

## LAMOINE SCHOOL DEPARTMENT 2007-08 BUDGET REPORT

The Lamoine School Committee proposes a budget of \$2,163,183.67 for school year 2007-08. This represents an increase of \$32, 910.20, or 1.5%, a relatively small increase considering that the increase in the current budget was just \$9,433.64, or 0.4%. At this point, there is no data on the level of state funding that can be expected. But if GPA is equal the amount budgeted for the current year, the increase in the local appropriation is \$16,617.91, or just 1.1%. **However, the total amount of local funds raised for education would still be over \$80,000 less than the amount raised for fiscal year 2005-06.**

Once again, high school tuition costs account for the largest single increase in the budget, at \$21,192. Even though there are fewer students, the statewide high school tuition rate rose 5.7% this year and is budgeted to increase 6% for the coming year. In addition, a higher percentage of students are attending MDI and private high schools, which cost more.

The remainder of the budget is essentially status quo. There are no new programs. There are no new positions. There are no anticipated changes to current positions. There are no new curriculum initiatives. There are the inevitable increases in salaries and benefits, and there are adjustments for inflation. Higher diesel and heating oil prices, for example, add almost \$2,000 to the current budget and are almost \$18,000 higher than in the 2004-05 budget.

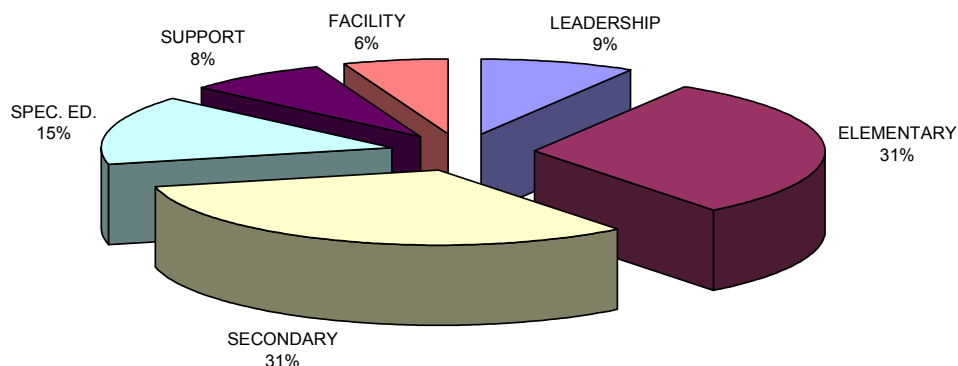
The budget presentation is very different this year than in years past. The state is requiring that 2007-08 budgets be submitted in a new chart of account structure to assist it in correlating education budgets and expenditures with the Essential Programs and Services funding model as implemented under LD #1. Budget and expenditure information will be transmitted to the state through electronic uploads beginning in 2007-08. In order to comply with these requirements, Union 92 is undertaking a major conversion in both hardware and software the can conform to the new account structure and the technical requirements. This conversion is only partially complete. We apologize in advance that we are unable to provide the level of detail that we have in the past. In many, if not most cases, it is difficult to correlate a past expense to an entirely new category of expense that is now required. Over the next year we will work diligently to cull past history so that future budgets will have history with which to compare.

The Essential Programs and Services funding model and the property tax reform initiatives contained in L.D. #1 have had a great impact on local budgets, not only in the way that the state calculates it's share of education, but in the way that towns adopt budgets for education. The Essential Programs and Services (EPS) funding model has been under development for a number of years. It started out as an effort to ensure equitable and adequate educational services statewide, based on the premise that if the resources and services provided to students by the best performing schools could be replicated at all schools, then students in schools all over Maine would have a better opportunity to achieve the standards set forth in Maine's Learning results. However, EPS ultimately became entwined with property tax reform and was transformed from a model for equity and adequacy to a scheme to achieve cost containment at the state government level. EPS became the centerpiece of the Governor's property tax reform initiative in L.D. #1 and has become a vehicle to achieve the twin policy objectives of 1) redefining the cost of education to achieve a lower total threshold that the state will have to eventually match 55% of, and 2) encouraging smaller and more rural schools to close and consolidate into bigger regional schools.

An important piece of L.D. #1 involved a change in the method required to approve school budgets. EPS redefines the cost of education and establishes, for each school unit, an amount of money that is required to provide K-12 education, *based on this new definition*, and the amount of the state and local shares, *based on this new definition*. A portion of any amounts needed above this newly defined limit, are considered "non-essential". These costs must be totally borne by the local government and approved at town meeting by written ballot. Because the formula is structured to reward larger more urban districts and penalize smaller and rural districts, almost all

districts in the northern two thirds of the state need to jump through the written ballot hoop. In fact, an article which appeared in the February 17, 2005 edition of the Ellsworth American reported that Geoffrey Herman of the Maine Municipal Association informed a gathering of municipal officials that “80 percent of the schools in Maine and every school in Hancock County exceed the limit established by the Essential Programs and Services model.” The new ballot process thus serves as a not so subtle stick designed to at least prompt an annual discussion about closing schools and consolidation in every small or rural Maine school unit.

**LAMOINE SCHOOL DEPARTMENT  
2007-08 PROPOSED BUDGET**



Historical Note: In 1870, the year Lamoine was incorporated by the Maine Legislature, flour was bought by the barrel, sugar in large cloth bags, lard in a small wooden tub, and molasses in gallon jugs (which you owned).